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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

October 18, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 10108-K FILED

OCT 18 '02 12-25 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Release of Lien and Security Interest, dated as of October 10, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete release of the Conditional Sale Agreement and other documents (except for the Lease of Railroad Equipment) which were previously filed with the Commission under Recordation Number 10108.

The name and address of the party to the enclosed document are:

Secured Party: The Bank of New York
(successor to Mercantile-Safe
Deposit and Trust Company)
48 Wall Street
New York, NY 10005

[Debtor: Southwestern Electric
Power Company
5552 Perking Road
Alliance, NE 69301]

A description of the railroad equipment covered by the enclosed document is:

242 gondola railcars within the series SEPX 106119 – SEPX 108511

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A short summary of the document to appear in the index follows:

Release of Lien and Security Interest

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', written in a cursive style.

Robert W. Alvord

RWA/anr
Enclosures

RELEASE OF LIEN AND SECURITY INTEREST

WHEREAS, MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY ("Mercantile") has a lien on and security interest in the railcars identified on Exhibit A hereto (the "Railcars") by virtue of the filings described in Exhibit B hereto (the "Filings") previously made by Mercantile with the Interstate Commerce Commission (the "ICC") pursuant to the provisions of former 49 U.S.C. Section 11303(a) (reenacted as 49 U.S.C. Section 11301(a)) and the regulations thereunder (the "Recordation Procedures");

WHEREAS, THE BANK OF NEW YORK ("Bank of New York") is the successor by acquisition to Mercantile (as such successor, the "Secured Party") and is authorized to execute and deliver this Release of Lien and Security Interest in the name of and on behalf of Mercantile and to cause the same to be filed with the Surface Transportation Board (successor to the ICC) in accordance with the Recordation Procedures; and

WHEREAS, SOUTHWESTERN ELECTRIC POWER COMPANY ("SWEPCO"), the debtor described in the Filings, has requested that the Secured Party release its lien on and security interest in the Railcars;

NOW THEREFORE, the Secured Party does hereby confirm that (i) it no longer claims any lien on or security interest in any of the Railcars or any leases or proceeds thereof, (ii) it terminates, releases and discharges its lien and security interest in the Railcars and any leases or proceeds thereof, and (iii) it acknowledges and confirms that each of the Filings shall be of no further force or effect and each shall be terminated and released. This is a release of lien on collateral only and no release is granted to SWEPCO of its obligations to Mercantile or the Secured Party under any loan or other agreements previously entered into between SWEPCO and Mercantile or the Secured Party, if any, and all such obligations shall remain enforceable against SWEPCO.

IN WITNESS WHEREOF, the Secured Party has caused this Release of Lien and Security Interest to be executed on and as of the 10 day of October, 2002.

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY

By: THE BANK OF NEW YORK, successor by
acquisition to Mercantile-Safe Deposit and Trust
Company

By: 
Title: VICE PRESIDENT

RECORDATION NO. 10108-K FILED


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SURFACE TRANSPORTATION BOARD

State of New York)
) SS
County of NEW YORK

On this 10 day of October, 2002, before me personally appeared REMO J. REALE, to me personally known, who being by me duly sworn, said that he/she is a VICE PRESIDENT of The Bank of New York, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]



Notary Public
My Commission expires: _____

WILLIAM J. CASSELS
Notary Public, State of New York
No. 01CA5027729
Qualified in Bronx County
Commission Expires May 18, 2006

EXHIBIT A

RAILCARS

242 100-ton steel gondola coal cars described in the Conditional Sale Agreement identified on Exhibit B hereto, as amended pursuant to the amendments and agreements identified on Exhibit B hereto.

EXHIBIT B

FILINGS

1. Conditional Sale Agreement dated as of January 1, 1979 among Thrall Car Manufacturing Company ("Thrall"), Cason Car Corporation ("Cason"), and Southwestern Electric Power Company ("SEP") was recorded at the Interstate Commerce Commission (the "ICC") on February 13, 1979 under Recordation No. 10108 for 242 100-ton steel gondola coal cars.
2. Agreement and Assignment dated as of January 1, 1979 from Thrall, as assignor, to Mercantile-Safe Deposit and Trust Company ("Mercantile"), as agent and assignee, was recorded at the ICC on February 13, 1979 under Recordation No. 10108-A.
3. Assignment of Lease and Agreement dated as of January 1, 1979 from Cason, as assignor, to Mercantile, as agent and assignee, was recorded at the ICC on February 13, 1979 under Recordation No. 10108-B.
4. Lease of Railroad Equipment dated as of January 1, 1979 between Cason, as lessor, and SEP, as lessee, was recorded at the ICC on February 13, 1979 under Recordation No. 10108-C.
5. Letter Amendment dated June 18, 1981 by SEP was recorded at the ICC on July 7, 1981 under Recordation No. 10108-D, deleting two destroyed cars numbered SEPX 106755 and 106950 and adding two cars numbered SEPX 112224 and 112232.
6. Letter Amendment dated December 16, 1982 by SEP was recorded at the ICC on December 17, 1982 under Recordation No. 10108-E, deleting four destroyed cars numbered SEPX 107131, 107221, 108120, and 108391 and adding four cars numbered SEPX 115738, 115746, 115754, and 115762.
7. Supplemental Agreement dated as of October 19, 1984 between Mercantile and SEP was recorded at the ICC on October 26, 1984 under Recordation No. 10108-F, deleting 10 destroyed cars numbered SEPX 106437, 106712, 107042, 107379, 107620, 107719, 107808, 107841, 108464, and 108499 and adding 10 cars numbered SEPX 116203, 116157, 116211, 116165, 116149, 116220, 116173, 116181, 116238, and 116190.
8. Supplemental Agreement dated as of February 1, 1985 between Mercantile and SEP was recorded at the ICC on January 29, 1985 under Recordation No. 10108-G, deleting three destroyed cars numbered SEPX 106330, 107492, and 108430 and adding three cars numbered SEPX 116831, 116840, and 116858.
9. Supplemental Agreement dated as of November 1, 1985 between Mercantile and SEP was recorded at the ICC on October 30, 1985 under Recordation No. 10108-H, deleting two destroyed cars numbered SEPX 106283 and 108251 and adding two cars numbered SEPX 116769 and 116751.

10. Bill of Sale sated as of November 1, 1985 from SEP to Mercantile was recorded at the ICC on October 30, 1985 under Recordation No. 10108-I for two cars numbered SEPX 116769 and 116751.
11. Supplemental Agreement dated as of February 1, 1986 between Mercantile and SEP was recorded at the ICC on January 30, 1986 under Recordation No. 10108-I, deleting two destroyed cars numbered SEPX 106992 and 108316 and adding two cars numbered SEPX 116530 and 116548.